UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/046,005	10/27/2001	John Ridings Lee	501693.000007	1522

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EXAMINER
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ART UNIT	PAPER NUMBER
3626	

DATE MAILED: 02/27/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

	Application No.	Applicant(s)
Office Action Summary	10/046,005	LEE, JOHN RIDINGS
	Examiner	**Art Unit**	
	Robert D. Rines	3626	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE **3** MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
  Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on <u>27 October 2001</u>.

2a)☐ This action is **FINAL**.   2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) <u>1-34</u> is/are pending in the application.

    4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) <u>1-34</u> is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a)☐ All b)☐ Some * c)☐ None of:

      1.☐ Certified copies of the priority documents have been received.

      2.☐ Certified copies of the priority documents have been received in Application No. _____.

      3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)

2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
    Paper No(s)/Mail Date _____.

4) ☐ Interview Summary (PTO-413)
    Paper No(s)/Mail Date. _____ .

5) ☐ Notice of Informal Patent Application (PTO-152)

6) ☐ Other: _____.

DETAILED ACTION

Notice to Applicant

[1]   This communication is in response to the patent application filed 27 October 2001. It is

noted that this application benefits from Provisional Patent Application Serial No. 60/322,155

filed 14 September 2001. Claims 1-34 are pending.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the
> subject matter which the applicant regards as his invention.

[2]   Claims 5, 20, and 31 are rejected under 35 U.S.C. 112, second paragraph, as being

indefinite for failing to particularly point out and distinctly claim the subject matter which

applicant regards as the invention.

[A]   Regarding claims 5, 20, and 31 the phrase "approximately" renders the claim indefinite

because it is unclear whether the limitations following the phrase are part of the claimed

invention. See MPEP § 2173.05(d).

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

[3]   Claims 1-3, 6-9, 11-18, 21-29, and 33-34 are rejected under 35 U.S.C. 102(e) as being anticipated by Herman et al., (United States Patent Application Publication #2002/0035489).

[A]   As per claim 1, Herman et al. teaches a method of designing a life insurance program for an organization comprising the steps of: obtaining a list of consenting donors who have consented to participate in the life insurance program (Herman et al.; paragraphs [0007] [0024]); and constructing a matrix-driven mortality pool of enrolled donors (Herman et al.; paragraphs [0009] [0024] [0025]), wherein the enrolled donors are selected to form the mortality pool based on the donors' ages (Herman et al.; paragraphs [0024] [0025]).

[B]   As per claim 2, Herman et al. teaches a method wherein the enrolled donors are selected to form the mortality pool based not only on age, but also on gender (Herman et al.; paragraphs [0005] [0024] [0025]).

[C]   As per claim 3, Herman et al. teaches a method wherein the enrolled donors are selected

to form the mortality pool based not only on age, but also on gender and smoking classification

(Herman et al.; paragraphs [0024] [0025]).

[D]   As per claim 6, Herman et al. teaches a method wherein the enrolled donors range in age

from 20 to 75 years (Herman et al.; paragraphs [0024] [0025]).

[E]   As per claim 7, Herman et al. teaches a method wherein the mortality pool is constructed

without considering the medical condition of any of the enrolled donors (Herman et al.;

paragraphs [0024] [0025]).

NOTE: Although Herman et al. cites the general health of the individuals in the participant pool

as a factor that could be considered, Herman does not require health of medical history as a

consideration in the mortality matrix (Herman et al.; paragraph [0025]).

[F]   As per claim 8, Herman et al. teaches a method further comprising the step of soliciting

potential donors for participation in the life insurance program (Herman et al.; paragraphs [0007]

[0022] [0024]).

[G]   As per claim 9, Herman et al. teaches a method further comprising the step of issuing a

life insurance policy to cover each enrolled donor in the mortality pool (Herman et al.;

paragraphs [0007] [0022] [0026]).

[H]   As per claim 11, Herman et al. teaches a method further comprising the steps of: assisting

the organization in paying a premium payment for a life insurance policy on at least one donor in

the mortality pool (Herman et al.; paragraphs [0009] [0036]); and assisting the organization in

receiving a death benefit payment from a life insurance policy on at least one donor in the

mortality pool (Herman et al.; paragraphs [0026] [0036]).

[I]   As per claim 12, Herman et al. teaches a method further comprising the steps of:

receiving a death benefit payment on behalf of the organization from a life insurance policy on at

least one donor in the mortality pool (Herman et al.; paragraph [0036]); and paying a recurring

premium payment on behalf of the organization for a life insurance policy on at least one donor

in the mortality pool (Herman et al.; paragraphs [0022] [0036]).

[J]   As per claim 13, Herman et al. teaches a method further comprising the step of assisting

the organization in obtaining financing for a portion of the cost of the life insurance program

(Herman et al.; paragraphs [0022] [0027] [0036]).

[K]   As per claim 14, Herman et al. teaches a method wherein the mortality pool includes at

least one thousand enrolled donors (Herman et al.; paragraphs [0024] [0025]).

[L]   As per claim 15, Herman et al. teaches a method of administering a life insurance

program for an organization comprising the steps of: obtaining a list of donors who have

consented to participate in the life insurance program (Herman et al.; paragraphs [0007] [0024]);

forming a mortality matrix that describes an ideal participant pool having pool members of

selected age (Herman et al.; paragraphs [0009] [0024] [0025]); and constructing an actual

participant pool of donors from the list of donors that conforms to the mortality matrix (Herman

et al.; paragraphs [0024] [0025]).

[M]   As per claim 16, Herman et al. teaches a method wherein the mortality matrix is formed

based not only on age, but also on gender (Herman et al.; paragraphs [0009] [0024] [0025]).

[N]   As per claim 17, Herman et al. teaches a method further comprising: receiving a death

benefit payment on behalf of the organization from a life insurance policy on at least one donor

in the participant pool (Herman et al.; paragraph [0036]); and paying a recurring premium

payment on behalf of the organization for a life insurance policy on at least one donor in the

participant pool (Herman et al.; paragraphs [0022] [0036]).

[O]   As per claim 18, Herman et al. teaches a method further comprising the steps of: assisting

the organization in paying a premium payment for a life insurance policy on at least one donor in

the participant pool (Herman et al.; paragraphs [0022] [0027] [0036]); and assisting the

organization in receiving a death benefit payment from a life insurance policy on at least one

donor in the participant pool (Herman et al.; paragraph [0036]).

[P]   As per claim 21, Herman et al. teaches a method wherein the pool members range in age

from 25 to 75 years (Herman et al.; paragraphs [0024] [0025]).

[Q]   As per claim 22, Herman et al. teaches a method wherein the mortality matrix is

constructed without considering the medical condition of any of the donors (Herman et al.;

paragraphs [0024] [0025] *see analysis claim 7).

[R]   As per claim 23, Herman et al. teaches a method further comprising the step of soliciting

potential donors for participation in the life insurance program (Herman et al.; paragraphs [0007]

[0022] [0024]).

[S]   As per claim 24, Herman et al. teaches a method further comprising the step of writing a

life insurance policy to cover at least one donor in the actual participant pool (Herman et al.;

paragraphs [0007] [0022] [0026]).

[T]   As per claim 25, Herman et al. teaches a method wherein the life insurance policy is a

universal life insurance policy (Herman et al.; paragraph [0031]).

[U]   As per claim 26, Herman et al. teaches a method further comprising the step of assisting

the organization in obtaining financing for a portion of the cost of the life insurance program

(Herman et al.; paragraphs [0022] [0027]).

[V]   As per claim 27, Herman et al. teaches a method wherein the actual participant pool

includes at least one thousand donors (Herman et al.; paragraphs [0024] [0025]).

[W]   As per claim 28, Herman et al. teaches a computer program product in a computer

readable medium (Herman et al.; paragraphs [0048] [0049] [0050] [0051]) comprising:

instructions for constructing a matrix-driven mortality pool of enrolled donors desiring to

participate in a life insurance program (Herman et al.; paragraphs [0009] [0024] [0025] [0048]

[0049]); instructions for storing the mortality pool of donors (Herman et al.; paragraphs [0024]

[0025] [0048]); and wherein the enrolled donors are selected to form the mortality pool based on

the donors' ages (Herman et al.; paragraphs [0024] [0025] [0048]).

[X]   As per claim 29, Herman et al. teaches a computer program product further comprising

instructions for receiving a list of consenting donors who have consented to participate in a life

insurance program (Herman et al.; paragraphs [0022] [0024]).

[Y]   As per claim 33, Herman et al. teaches a computer program product wherein the mortality

pool is constructed without considering the medical condition of any of the donors (Herman et

al.; paragraphs [0024] [0025] [0048] *see analysis claim 7).

[Z]   As per claim 34, Herman et al. teaches a computer program product further comprising

instructions for administering the life insurance program for the organization (Herman et al.;

paragraphs [0026] [0036] [0048]).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in
section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are
such that the subject matter as a whole would have been obvious at the time the invention was made to a person
having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the
manner in which the invention was made.

The factual inquiries set forth in *Graham* **v.** *John Deere Co.*, 383 U.S. 1, 148 USPQ 459

(1966), that are applied for establishing a background for determining obviousness under 35

U.S.C. 103(a) are summarized as follows:

1.   Determining the scope and contents of the prior art.

2.   Ascertaining the differences between the prior art and the claims at issue.

3.   Resolving the level of ordinary skill in the pertinent art.

4.   Considering objective evidence present in the application indicating obviousness

        or nonobviousness.

[4]   Claims 4-5, 10, 19-20, and 30-32 are rejected under 35 U.S.C. 103(a) as being

unpatentable over Herman et al. in view of Bell (United States Patent #6,161,096).

[A]   As per claim 4, Herman et al. teach a method wherein: the mortality matrix describes an

ideal participant pool having pool members of selected age and gender (Herman et al.;

paragraphs [0024] [0025]) and the mortality matrix includes an upper age limit and a lower age

limit for pool members (Herman et al.; paragraphs [0024] [0025]).

[i]   Herman et al. teaches that selection of participants encompassing a "large age range (i.e.,

25-70 years of age)" with the objective of ensuring a predictable stream of death benefits from

the insurance policies (Herman et al.; paragraph [0025]). Herman et al. further teaches ensuring a

relatively predictable stream of death benefits by additionally stipulating that "a relatively even

distribution over a large age range is preferred" (Herman et al.; paragraph [0025]). In the

"preferred" group of participants selected by Herman for the purpose of ensuring a steady stream

of death benefits, it stands to reason that the number of participants at either the upper age limit

(70 years of age) or the lower age limit (25 years of age) would be outnumbered by a selection of

participants comprising those at the average range plus participants encompassed by a selected

deviation from the average age. Accordingly, the participant population selected by Herman et

al., inherently meets the applicants limitations of: 1) the percentage of pool members at the upper

age limit is less than the selected percentage of the pool members within the selected deviation of

the average age; and 2) the percentage of pool members at the lower age limit is less than the

selected percentage of the pool members within the selected deviation of the average age.

[ii]   While Herman et al. teaches selection of participants with the objective of establishing a

participant pool best suited to deriving a predictable stream of death benefits (Herman et al.;

paragraph [0025]), Herman fails to specifically teach selection of participants based on average

age of the participant pool or based on a certain number or percentage of participants

encompassed by a selected deviation from the average age of the participant pool.

[iii]   However, Bell teaches method and system for selection of participants in a deferred

award instrument plan involving employee life insurance policies that are either company owned

or purchased under a shared ownership arrangement between the company and the employees

(Bell; Abstract and col. 6, lines 39-53). The Bell invention further teaches a computerized

method of selection of individuals for participation in the program (Bell; col. 3, lines 25-40 and

col. 5, lines 19-28). The Bell method analyzes human resources data on employees, including

age of the employees, to determine the optimal pool of employees to participate in the plan as

determined by the specific funding objectives and timelines the company requires (Bell; col. 8,

lines 56-67 and col. 9, lines 12-27). By way of specific example, Bell outlines an investment

strategy that is best met by insurance policies taken out on employees likely to die within a 10-

year time frame and accordingly, the matrix system of Bell identifies candidates of age 65 or

older (Bell; col. 9, lines 20-41). Although Bell does not specifically teach using an average age

of employees and/or a deviation from an average age of candidate participants to determine

participant pool qualifications, the examiner interprets the customizable approach of Bell to

enable a user, such as Herman et al., to model and select a population having virtually any

characteristics (e.g., age range, average age, age distribution etc.) that would best suit the

investment/cash flow goals defined or prioritized by the implementing company or organization.

[iv]   Therefore, the examiner views the above noted features and attributes of Bell as

encompassing the applicant's limitations of the ideal participant pool being constructed by

selecting an average age for the pool members and selecting pool members such that a selected

percentage of the total number of pool members are of an age within a selected deviation of the

average age (Bell; col. 8, lines 56-67 and col. 9, lines 12-42).

[v]   It would have been obvious to one of ordinary skill in the art at the time the invention

was made to have combined the teachings of Herman et al. with those of Bell. Such combination

would have resulted in a system and method for foundation funds generation in which a block of

individuals assents to have a life insurance policy taken out in his or her name for the benefit of

the foundation (Herman et al.; paragraph [0024]). Additionally, such a system and method would

have employed a strategy of selecting the block of individuals that, based on anticipated

mortality rates, would ensure a relatively predictable stream of death benefits (Herman et al.;

paragraphs [0024] [0025]). Further, such a selection process would involve the use of a modeling

program that analyzes population characteristics with the aim of determining an appropriate

distribution of participants to meet the specific program goals defined by the foundation (Bell;

col. 9, lines 4-41). The motivation to combine the teachings would have been to provide a

computer system and computer program for assisting the company's identification of appropriate

employees to assemble a group of individuals (i.e., a predetermined pool) that fit predetermined

company investment goals (Bell; col. 1, lines 65-67 and col. 2, lines 19-22).

[B]   As per claim 5, Bell teaches a method wherein approximately twenty percent of the

enrolled donors are between the ages of 37 and 43 years (Bell; col. 8, lines 56-67 and col. 9, lines

12-42 *see analysis claim 4).

[C]   As per claim 10, Herman et al., teaches a method wherein the life insurance policy is a

non dividend paying, non participating, flexible premium adjustable universal life insurance

policy (Bell et al.; paragraph [0024] [0031]).

[D]   As per claim 19, Herman et al. teaches a method wherein: the mortality matrix includes

an upper age limit and a lower age limit for pool members; the percentage of pool members at

the upper age limit is less than the selected percentage of the pool members within the selected

deviation of the average age; and the percentage of pool members at the lower age limit is less

than the selected percentage of the pool members within the selected deviation of the average

age (Herman et al.; paragraphs [0024] [0025] *see analysis claim 4).

[i]   Bell teaches the mortality matrix is constructed by selecting an average age for the pool

members and selecting pool members such that a selected percentage of the total number of pool

members are of an age within a selected deviation of the average age (Bell; col. 8, lines 56-67

and col. 9, lines 12-42 *see analysis claim 4).

[E]   As per claim 20, Bell teaches a method wherein approximately twenty percent of the pool

members are between the ages of 37 and 43 years (Bell; col. 8, lines 56-67 and col. 9, lines 12-42

*see analysis claim 4).

[F]   As per claim 30, Herman et al. teaches a computer program product further comprising:

instructions for forming the mortality pool, wherein the mortality pool describes an ideal

participant pool having pool members of selected age and gender (Herman et al.; paragraphs

[0024] [0025]); wherein the mortality pool includes an upper age limit and a lower age limit for

pool members (Herman et al.; paragraphs [0024] [0025]); wherein the percentage of pool

members at the upper age limit is less than the selected percentage of the pool members within

the selected deviation of the average age; and wherein the percentage of pool members at the

lower age limit is less than the selected percentage of the pool members within the selected

deviation of the average age (Herman et al.; paragraphs [0024] [0025] *see analysis claim 4).

[i]   Bell teaches the mortality pool is constructed by selecting an average age for the pool

members and selecting pool members such that a selected percentage of the total number of pool

members are of an age within a selected deviation of the average age (Bell; col. 8, lines 56-67

and col. 9, lines 12-42 *see analysis claim 4);

[G]   As per claim 31, Bell teaches a computer program product wherein approximately twenty

percent of the pool members are between the ages of 37 and 43 years (Bell; col. 8, lines 56-67

and col. 9, lines 12-42 *see analysis claim 4).

[H]   As per claim 32, Herman et al. teaches a computer program product wherein the pool

members range in age from 20 to 75 years (Herman et al.; paragraphs [0024] [0025]).

[i]   Regarding claims 5, 10, 19-20, and 30-32, the obviousness and motivation to combine as

discussed with regard to claim 4 above are applicable to claims 5, 10, 19-20, and 30-32 and are

herein incorporated by reference.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Gross et al., METHOD AND APPARATUS FOR RELEASING VALUE OF AN ASSET, United States Patent #5,083,270

Kelly et al., SYSTEM FOR DESIGNING AND IMPLEMENTING BANK OWNED LIFE INSURANCE (BOLI) WITH A REINSURANCE OPTION, United States Patent #5,806,042

Ross, SYSTEM AND METHOD FOR ASSURING PREDICTABLE GAINS, United States Patent #5,974,390

Meyer et al., SYSTEM AND METHOD FOR CONTROLLING AND SECURITIZING THE CASH VALUE GROWTH AND/OR DEATH BENEFITS OF A LARGE POOL OF INSURNANCE POLICIES, United States Patent #6,330,541

Canney, METHOD OF CHARITABLE GIVING/INVESTING, United States Patent #6,581,041.

Any inquiry concerning this communication or earlier communications from the

examiner should be directed to Robert D. Rines whose telephone number is 571-272-5585. The

examiner can normally be reached on 8:30am - 5:00pm Mon-Fri.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's

supervisor, Joseph Thomas can be reached on 571-272-6776. The fax phone number for the

organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent

Application Information Retrieval (PAIR) system. Status information for published applications

may be obtained from either Private PAIR or Public PAIR. Status information for unpublished

applications is available through Private PAIR only. For more information about the PAIR

system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR

system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

R.D.R.

2/13/06

C. LUKE GILLIGAN
PATENT EXAMINER